IN THE SPECIFICATION:

Page 10, lines 4-6, delete the sentence starting with "The goal ..." and ending with "recorded."

Page 10, line 6, delete "Of course, the" and insert therefor - The -.

IN THE CLAIMS:

Insert the following new claims 18-32:

-- 18. A playback system for reproducing audio signals from a medium used to store audio and control data comprising:

a demultiplexer for selectively retrieving said and odata and said control data, said control data defining a plurality N of control inputs;

a playback circuit including a gain control and a phase control circuit, said playback circuit receiving said audio data and operating on said audio data in accordance with said plurality of N control inputs to generate audio signals over a predetermined number of channels M.

19. A playback system for reproducing audio signals from a medium used to store audio and control data comprising:

a demultiplexer for selectively retrieving said audio data said control data, said control data defining a plurality N of control inputs;

a playback circuit including a delay circuit, a reverberation circuit and a variable gain control circuit, said playback circuit receiving said audio data and operating on said audio data in accordance with said plurality of N control inputs to generate audio signals over a

predetermined number of channels M.

20. The playback system of claimed further comprising a customer input circuit connected to provide customer control signals from a customer, said playback circuit being adapted to alter at least some of said playality N of control inputs in accordance with said customer input control signals.

21. A playback system for reproducing audio signals from a data stream containing audio and control data, said system comprising:

a demultiplexer arranged to separate said audio and control data; and
a playback circuit adapted to convert said audio data into audio signals in
accordance with said control data.

- 22. The playback system of claim 21 wherein said playback circuit includes at least one of a gain control, phase control and position control circuit responsive to said control data.
- 23. The playback system of claim 21 wherein said playback circuit includes one of delay circuit, reverberation circuit and equalizer circuit responsive to said control data.

24. The playback system of claim 21 wherein said playback circuit includes an adapter circuit that changes said control data in accordance with local data indicative of pysical conditions associated with the replay.

25. The playback system of claim 24 further comprising a customer input interface that receives local data from a customer.

26. The playback system of claim 24 further comprising a local data sensing circuit that senses said local data.

- 27. The playback system of claim 26 wherein said local data sensing system includes a speaker arranged to receive and play a test signal and a microphone arranged to sense a response corresponding to said test signal.
- 28. The playback system of claim 21 further comprising a noise sensor generating a noise indication signal indicative of ambient noise and noise correction generator that generates noise compensation signals, said control circuit assembly being responsive to said noise compensation signals to generate audio signals compensated for the noise.
- 29. The playback system of claim 28 wherein said noise correction generator is adapted to receive said audio data and generates said compensation signals in accordance with said audio data.
- 30. The playback system of claim 21 further comprising a visual display, said control circuit assembly providing display signals for said display indicative of the control data.

31. A playback system for reproducing audio signals from a data-stream containing audio and control data with information indicative of recording conditions during the recording of said audio signals, said system comprising:

a demultiplexer arranged to separate said audio and control data; and
a playback circuit adapted to convert said audio data into audio signals in
accordance with said control data to compensate said audio signals for the recording conditions.

32. The playback system of claim 31 wherein the audio data is recorded on M channels and the control data includes a plurality of parameters related to said M channels and wherein said control circuit assembly is adapted to fold said M channels into two stereo channels by manipulating said parameters. - -

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Respectfully submitted,

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